

**Introduced by Senator Evans**

February 17, 2012

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An act to amend Section 19829.5 of the Government Code, relating to memoranda of understanding.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 1113, as introduced, Evans. Memoranda of understanding: fiscal analysis.

Under the Ralph C. Dills Act, a provision of a memorandum of understanding reached between the state employer and a recognized employee organization representing state civil service employees that requires the expenditure of funds does not become effective unless approved by the Legislature in the annual Budget Act. Existing law provides that the Legislative Analyst has 10 calendar days from the date the tentative agreement is received to issue a fiscal analysis to the Legislature. Existing law provides that the memorandum of understanding is not subject to legislative determination until either the Legislative Analyst has presented a fiscal analysis of the memorandum to the Legislature or until 10 calendar days have elapsed since the memorandum was received by the Legislative Analyst. Existing law requires each memorandum of understanding submitted by the Department of Personnel Administration to the Legislative Analyst to include the department's analysis of costs and savings.

Existing law establishes the Department of Personnel Administration for purposes of managing the nonmerit aspects of the state's personnel system. The 2011 Governor's Reorganization Plan for state human resources functions abolishes the Department of Personnel Administration, and transfers the functions and duties performed by the

Department of Personnel Administration to the Department of Human Resources.

This bill would require the Department of Human Resources, for each memorandum of understanding submitted to the Legislative Analyst, to include within the analysis of savings and costs, the financial obligation that would be required to address salary compaction and parity concerns for excluded employees related to the bargaining unit as a result of the memorandum. The bill would make conforming changes consistent with the 2011 Governor's Reorganization Plan for state human resources.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 19829.5 of the Government Code is  
2 amended to read:  
3 19829.5. (a) The Department of ~~Personnel Administration~~  
4 *Human Resources* shall provide a memorandum of understanding  
5 pursuant to Section 3517.5 to the Legislative Analyst who shall  
6 have 10 calendar days from the date the tentative agreement is  
7 received to issue a fiscal analysis to the Legislature. The Legislative  
8 Analyst may prioritize the preparation of a fiscal analysis or report  
9 under this subdivision among other workload, including the  
10 submission of multiple memoranda of understanding. The  
11 memorandum of understanding shall not be subject to legislative  
12 determination until either the Legislative Analyst has presented a  
13 fiscal analysis of the memorandum of understanding or until 10  
14 calendar days has elapsed since the memorandum was received  
15 by the Legislative Analyst.  
16 (b) Each memorandum of understanding submitted by the  
17 department to the Legislative Analyst shall include the  
18 department's analysis of ~~costs and savings~~ *and costs, including*  
19 *the financial obligation that would be required to address salary*  
20 *compaction and parity concerns for the excluded employees related*  
21 *to the bargaining unit as a result of the memorandum of*  
22 *understanding.*

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